

## GILLESPIE FIELD DEVELOPMENT COUNCIL

January 15, 2008

### AGENDA ITEM # 7

Cuyamaca East Partners, LLC

Proposed Industrial Ground Lease of Lot 8, Block 2, Gillespie Field Industrial Park

For several years Airports has been seeking a suitable long-term development of an unimproved approximately one-acre Lot 8, Block 2 in the Gillespie Field Industrial Park. The unimproved lot is adjacent on the North to 1923 John Towers Avenue and currently is used as outdoor storage of irrigation products by the Toro Company. Airports staff is presenting for your review a development concept that has been proposed by Cuyamaca East Partners, LLC.

#### PROPOSED DEVELOPMENT

Principals of Cuyamaca East Partners, LLC have a lease with the County at another location at Gillespie Field. For more than 15 years they have been operating Vision Systems, Inc., a manufacturer of architectural products in the Cuyamaca West Industrial Park. They have established themselves as responsive and reliable tenant.

Cuyamaca East Partners, LLC proposes to enter into a 55-year ground lease with the County and to construct a concrete tilt-up building with a minimum of 15,000 square feet. The lease will commence on March 1, 2008. Upon the results of due diligence research, Cuyamaca East Partners, LLC may terminate this lease agreement within the first two months without penalty. The beginning lease rate will be based on the typical rental rate in the Gillespie Field Industrial Park (currently \$3,293.00 per acre per month), which is scheduled to adjust on January 1, 2009 and every five years thereafter.

#### RECOMMENDATION

Staff recommends that the Council adopt the following motion with respect to the proposed transactions.

*MOTION – “It is recommended that the Board of Supervisors approve the new Industrial Lease with Cuyamaca East Partners, LLC, as recommended by staff.”*